

Message Text

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11

ACTION EA-14

INFO OCT-01 ADP-00 EB-11 AGR-20 NSC-10 NSCE-00 SS-15

COME-00 OMB-01 L-03 TRSE-00 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 PRS-01 PA-03 USIA-15 /106 W

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R 200700Z JUL 73

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 7633

INFO USLO PEKING

AMEMBASSY TAIPEI

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E.O. 11652: N/A

TAGS: ETRD EAGR CH

SUBJ: SALE OF US TOBACCO TO CHINA

REF: PEKING 0354

1. HK SOUTH CHINA MORNING POST, JULY 18, CARRIED USDA SOURCED REPORT OF SALE OF US TOBACCO TO CHINA THROUGH HONG KONG FIRM OF PACIFIC TRADING AND AGENCY CO. FIRM IS LOCAL REPRESENTATIVE OF W.A. ADAMS CO. OF OXFORD, NORTH CAROLINA.

2. PRIOR TO PRESS REPORT, PACIFIC TRADING HAD LEARNED THAT TAIWAN TOBACCO MONOPOLY BUREAU (ALSO A SUBSTANTIAL CUSTOMER) WAS CONCERNED THAT PUBLIC DISCLOSURE OF THE FIRM'S RELATIONS WITH PEKING MIGHT PROVE EMBARRASSING TO TAIWAN. LOCAL PACIFIC PARTNER K.W. CHUNG TOLD CONGENOFF IN CONFIDENCE THAT A US COMPETITOR HAD RAISED ISSUE OF PACIFIC'S SALE TO THE PRC WITH TAIWAN TOBACCO MONOPOLY. CHUNG SAID HE WAS CONFIDENT THAT TAIWAN OFFICIALS WOULD NOT CAUSE PROBLEMS FOR HIS COMPANY UNLESS COMPELLED TO DO SO IF COMPETITOR MADE PUBLIC ISSUE OF CASE. FOR THIS REASON, HE WAS GOING TO TAIWAN TO "SMOOTH OVER THE MATTER" AND ASKED OUR COOPERATION IN DESTROYING OUR COPY OF HIS PRC TOBACCO CONTRACT

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(ONLY ONE OUTSIDE OF PEKING, ADAMS AND PACIFIC) LEST IT GET

INTO HANDS OF COMPETITORS AND BE USED TO PUBLICLY EMBARRASS
THE TAIWAN TOBACCO MONOPOLY INTO ACTING AGAINST CHUNG'S COMPANY.
CHUNG ASKED THAT WE TAKE NO FURTHER ACTION AND OFFERED TO
BRIEF US ON HIS RETURN FROM TAIWAN.

3. IN VIEW OF SENSITIVITIES WHICH MAY STILL REMAIN IN SOME
COMMERCIAL DEALINGS WITH THE PRC, CONGEN RECOMMENDS THAT USG
REFRAIN FROM IDENTIFYING FIRMS WITHOUT FIRST OBTAINING THEIR
CONSENT. THIS RESTRICTION SHOULD APPLY ESPECIALLY TO NON-US
COMPANIES.

4. WE SEE NO NEED FOR AMEMBASSY TAIPEI TO CONTACT ROC
OFFICIALS ON THIS MATTER BUT WOULD APPRECIATE LEARNING IF
THERE ARE OTHER INSTANCES WHERE US OR THIRD COUNTRY COMPANIES
HAVE BEEN SUBJECT TO OR THREATENED WITH LOSS OF ROC TRADE
FOR TRADING WITH BOTH ROC AND PRC.
DEAN

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: TOBACCO, AGRICULTURAL PRODUCT SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: willialc
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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Errors: N/A
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Handling Restrictions: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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